



## **Agency Information Collection Activities: Announcement of Board Approval under Delegated Authority and Submission to OMB**

**AGENCY:** Board of Governors of the Federal Reserve System.

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, with revision, the Recordkeeping and Disclosure Requirements Associated with Loans Secured by Real Estate Located in Flood Hazard Areas Pursuant to Regulation H (FR H-2; OMB 7100-0280) of the Board's rules.

**FOR FURTHER INFORMATION CONTACT:** Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.

Office of Management and Budget (OMB) Desk Officer for the Federal Reserve Board, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17<sup>th</sup> Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

**SUPPLEMENTARY INFORMATION:** On June 15, 1984, OMB delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. The OMB inventory, as well as copies of the PRA Submission, supporting statements, and approved collection of information instrument(s) are available at <https://www.reginfo.gov/public/do/PRAMain>. These documents are also available on the Federal Reserve Board's public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above.

**Final Approval under OMB Delegated Authority of the Extension for Three Years, With Revision, of the Following Information Collection:**

*Collection title:* Recordkeeping and Disclosure Requirements Associated with Loans Secured by Real Estate Located in Flood Hazard Areas Pursuant to Section 208.25 of Regulation H.

*Collection identifier:* FR H-2.

*OMB control number:* 7100-0280.

*Effective Date:* The revisions are applicable as of [Insert date of publication in the Federal Register]

*Frequency:* On occasion.

*Respondents:* State member banks (SMBs).

*Estimated number of respondents:* Recordkeeping: Private flood insurance (Sections 208.25(c)(3)(iii) and (iv)), 11,171; Retention of standard Federal Emergency Management Agency (FEMA) form (Section 208.25(f)(2)), 728; Notice of special flood insurance (Section 208.25(i)), 728; Disclosure: Notice of special flood hazards and availability of federal disaster relief assistance with escrow notice, as applicable (Sections 208.25(i) and (e), as applicable), 728; Notice to FEMA of servicer (Section 208.25(j)(1)), 728; Notice to FEMA of change of servicer (Section 208.25(j)(2)), 728; Notice to borrowers of lapsed mandated flood insurance (Section 208.25(g)), 728; Purchase of flood insurance on the borrower's behalf (Section 208.25(g)), 728; Notice to borrowers of lapsed mandated flood insurance due to remapping (Section 208.25(g)), 728; Purchase of flood insurance on the borrower's behalf due to remapping (Section 208.25(g)), 728; One-time notice for any designated loan outstanding on July 1 of the year SMB no longer qualifies for small lender exception, 12.

*Estimated average time per response:* Recordkeeping: Private flood insurance (Sections 208.25(c)(3)(iii) and (iv)), 15 minutes; Retention of standard FEMA form (Section 208.25(f)(2)), 2.5 minutes; Notice of special flood insurance (Section 208.25(i)), 2.5 minutes; Disclosure: Notice of special flood hazards and availability of federal disaster relief assistance with escrow

notice, as applicable (Sections 208.25(i) and (e), as applicable), 5 minutes; Notice to FEMA of servicer (Section 208.25(j)(1)), 5 minutes; Notice to FEMA of change of servicer (Section 208.25(j)(2)), 5 minutes; Notice to borrowers of lapsed mandated flood insurance (Section 208.25(g)), 5 minutes; Purchase of flood insurance on the borrower's behalf (Section 208.25(g)), 15 minutes; Notice to borrowers of lapsed mandated flood insurance due to remapping (Section 208.25(g)), 5 minutes; Purchase of flood insurance on the borrower's behalf due to remapping (Section 208.25(g)), 15 minutes; One-time notice for any designated loan outstanding on July 1 of the year SMB no longer qualifies for small lender exception, 40 hours.

*Estimated annual burden hours:* Recordkeeping: Private flood insurance (Sections 208.25(c)(3)(iii) and (iv)), 2,793; Retention of standard FEMA form (Section 208.25(f)(2)), 12,255; Notice of special flood insurance (Section 208.25(i)), 2,457; Disclosure: Notice of special flood hazards and availability of federal disaster relief assistance with escrow notice, as applicable (Sections 208.25(i) and (e), as applicable), 4,914; Notice to FEMA of servicer (Section 208.25(j)(1)), 4,914; Notice to FEMA of change of servicer (Section 208.25(j)(2)), 2,487; Notice to borrowers of lapsed mandated flood insurance (Section 208.25(g)), 971; Purchase of flood insurance on the borrower's behalf (Section 208.25(g)), 728; Notice to borrowers of lapsed mandated flood insurance due to remapping (Section 208.25(g)), 485; Purchase of flood insurance on the borrower's behalf due to remapping (Section 208.25(g)), 728; One-time notice for any designated loan outstanding on July 1 of the year SMB no longer qualifies for small lender exception, 480.

*General description of report:* In general, the federal flood insurance statutes and Regulation H - Membership of State Banking Institutions in the Federal Reserve System (12 CFR 208) provide that a lender shall not make, increase, extend, or renew a loan secured by a building or mobile home located in a special flood hazard area unless the secured property is covered by flood insurance for the term of the loan. With respect to the recordkeeping and disclosure provisions, the regulation generally requires state member banks to retain certain flood hazard

documentation and to notify borrowers and servicers regarding properties in flood hazard areas and requirements related to flood insurance. State member banks also must notify FEMA of the identity of, and any change in, the servicer of a loan secured by improved property in a special flood hazard area.

*Legal authorization and confidentiality:* Section 102 of the Flood Disaster Protection Act of 1973, as amended,<sup>1</sup> and section 1364 of the National Flood Insurance Act, as amended,<sup>2</sup> authorize the Board to impose the disclosure and recordkeeping requirements in section 208.25 of Regulation H. The obligation to comply is mandatory.

Because the Federal Reserve does not collect information from the FR H-2, confidentiality issues generally would not arise. In the event the records are obtained by the Board as part of the examination or supervision of a financial institution, this information may be considered confidential pursuant to exemption 8 of the Freedom of Information Act, which protects information contained in “examination, operating, or condition reports” obtained in the bank supervisory process.<sup>3</sup>

*Current actions:* On November 4, 2021, the Board published a notice in the *Federal Register* (86 FR 60818) requesting public comment for 60 days on the extension, with revision, of the Recordkeeping and Disclosure Requirements Associated with Loans Secured by Real Estate Located in Flood Hazard Areas Pursuant to Section 208.25 of Regulation H.

The Board is finalizing revisions to the FR H-2 information collection to account for the recordkeeping provision in section 208.25(i) of Regulation H that had not been previously cleared by the Board under the PRA. When a state member bank makes, increases, extends, or renews a loan secured by a building or a mobile home located or to be located in a special flood hazard area, Regulation H requires that the bank mail or deliver a written notice to the borrower

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<sup>1</sup> 42 U.S.C. 4012a.

<sup>2</sup> 42 U.S.C. 4104a.

<sup>3</sup> 5 U.S.C. 552(b)(8). The Board also has the authority to require reports from state member banks. (12 U.S.C. 248(a) and 324).

and to the servicer in all cases indicating whether flood insurance is available under the National Flood Insurance Program (NFIP) for the collateral securing the loan. The state member bank must retain a record of the receipt of the notices by the borrower and the servicer for the period of time the bank owns the loan.

The comment period for this notice expired on January 3, 2022. The Board did not receive any comments. The revisions will be implemented as proposed.

Board of Governors of the Federal Reserve System, July 19, 2022.

**Michele Taylor Fennell,**

*Deputy Associate Secretary of the Board.*

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